Jacket. II-27—37,004—13-11-45.

(1946) Department.

Ms SERIES. Retained for records

G.O. No 2525

Dated 28-6-46

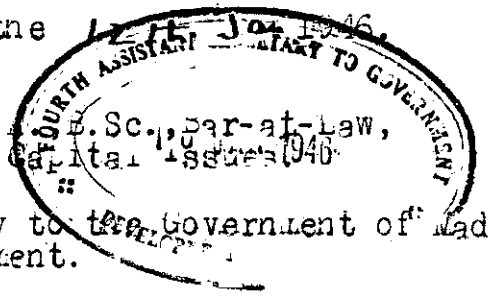
[Despatch Abstract.]

Companies - The South Kanara Fish Industries Ltd
- Capital Issue - Orders Communicated

No.R-2571-EC1/45./2 >>

Office of the Examiner of Capital Issues,
Finance Department.

New Delhi, the 14th Jan 1946.



From

K.A.master Esqr., M.A., B.Sc., Bar-at-Law,
Deputy Examiner of Capital Issues.

To

The Joint Secretary to the Government of Madras
Development Department.
Madras.

Sir,

I am directed forward herewith an application dated the 27th November 1945 from the South Kanara Fish Industries Limited for an issue of capital to the value of Rs 25,00,000/- under D.I.R.94A for your recommendation. It may also be pointed out in this connection that the Government of Madras recommended their frist application vide their letter No.60521-N/45-6 dated the 20th Febuary. 44

I am to request that the Government of Madras may kindly examine the application and return the papers along with their recommendations at an early date.

I have the honour to be,
Sir,
Your most obedient servant,

Deputy Examiner of Capital Issues.

Syal.10.1.46.

VE.

Plsend

Dentl Deptt

OM No. 41.46 P & D III /461-1 dt 21-46

Subj: Companies - The South Kanara Fish Industries Ltd., — Capital issue -

Ref: Letter from the Examiner of Capital Issues No R. 2571 C.C.-I/45/233 dt 12/46

A copy of the letter read above with a copy of the application for Capital issue dated 27-11-'45 from the South Kanara Fish Industries Ltd., is communicated to the D.I.C. R.T.S.C. and the Collector of South Kanara for very urgent remarks

2. The D.I.C is requested to examine the application with particular reference to the proposal of the South India Fisheries Ltd., recommended in this the from the Govt of Madras, Devt Deptt letter No 5128 P & D III /45-6 dt 4-1-46 to the Govt of Capital Issues.

3. All the directors of the Company except Nos. 1, 3 and 7 are new. In continuation from this Govt letter No 40239 P & D III /45-5 Devt Deptt dated 26.10.45, the Govt of India have been informed that Sri Mangalore Faraffa has been responsible for the promotion of a number of Companies the administration of which has not been found satisfactory. The Collector is requested to report on the reliability of the other directors to abide by their undertaking and make a success of

number of Shares held by each in the Company and the venture and the number of additional Shares each proposes to take. ~~in~~ ~~the~~ 4. The report may be sent before 20-2-46.

22/1/46

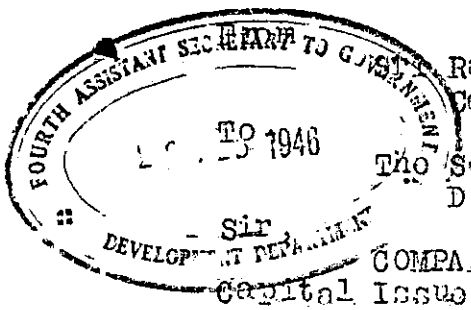
24/1/46.

To
The D.T.C.
The collector of Bombay
Kanara.
~~Copy to~~ R.T.S.C.

⊛ all with copy of ~~pp~~ 1-3 and 7-11 cf.

~~RD 20.2.46~~
RD. 20.2.46
Dpd. 29/1
with one
S.R. notice

L.Dis.602-46-M. South Kanara Dt. Collector's Office,
Mangalore, dated 20-2-1946.



From Rao Bahadur P.Ramadoss, B.A.,
Collector of South Kanara.

To 1946

The Secretary to Government,
Development Department, Madras.

Dev 1411 P&D
22/2/46

Sir

COMPANIES - "The South Kanara Fish Industries, Limited" Capital Issue - Report - Submitted.

****

FP/3-14 abnc

Ref:- Government Memorandum No. 4146 P. & D. III-46-1 Development, dated 21-1-46.

****

Particulars regarding the status, solvency, etc. of the directors of the South Kanara Fish Industries, Limited, called for in the Government Memo. quoted above are furnished below:-

(1) Dr. M.R. Bhat, PH.D. Mangalore. He is a Medical practitioner in Ayurvedic medicines and also owns property worth about Rs. 10,000/-. He is reported to be solvent to this extent. He holds 10 shares of Rs. 100/- each.

(2) Janab S. Mohammad Bin Mohammad, Mangalore - He has resigned.

(3) T. K. Kannan Nambiar, Udipi and (4) H. Siddu, Udipi:- These two directors are reported to be persons of ordinary status and solvency. They are not connected with any big business or industries. Each holds 10 shares of Rs. 100/- each.

(5) R. David, Esq. - Coimbatore:- He has ceased to be a director having failed to pay the share capitals.

(6) B.A.P. Mohammad Saheb Bahadur of Cannanore:- He is a man of Cannanore and nothing is known about him.

The Tahsildar, Mangalore reports that there is a new director "Sri V.T.S. Vilavaraya" of Colombo, but nothing is known of this director also.

2. Enquiry shows that Sri Mangalore Jarappa is the Managing Director of the concern and is the live-wire of the whole scheme. Though the other directors are shown to be the promoters, they do

p.t.o.

not take active part in the concern and have entirely left the management in his hands. The only co-worker with him is reported to be Sri B. Narasimha (director No.3) who is his brother-in-law. He is holding shares in the other concerns to the extent of about Rs.20,000/-

3. The status and character of the directors do not inspire confidence, and the undertaking is of doubtful reliability.

Ghulam Kadir

For Collector.

20.2.46

Subs for perusal of pp 15-16 above

The remarks of the D.S.E. and R.J.S.C Caller for in the memo on pp 13-14 above may be awaited till 5.3.46. R.D/5.3.46.

They have been reminded.

23/2/46

25/2/46

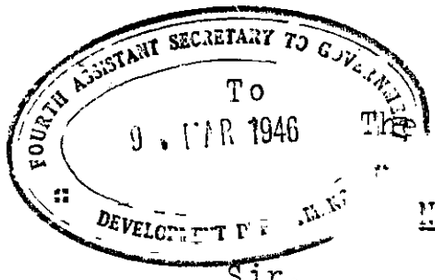
25/2/46

Dev. 1307 P+D III
9-3-'46

GOVERNMENT.

From

Sri Diwan Bahadur H. Krishnamurti,
Registrar of Joint Stock Companies,
Madras.



To

The Deputy Secretary to Government,
Development Department.

No. C.319/46 Dated 8-3-1946.

Sir,

(Sub:) Companies - Defence of India Rule 94-A - Capital issue - application for - The South Kanara Fish Industries Limited.

Ref: Endt. No. 4146 P & D.III/46-1, Development dated 21-1-1946 and my letter No. C. 309/46 dated 25-2-46.

***

The South Kanara Fish Industries Limited was incorporated on 18-4-1945 with an authorised capital of Rs.5 lakhs. The company obtained consent from the Examiner of Capital Issues to issue 2,000 ordinary shares of Rs. 100/- each, of which issues made up to 18-12-1945 amounted to Rs. 60,000 only. The present application is for an issue of capital to the value of Rs. 2.5 lakhs. The Assistant Registrar, South Kanara, in whose jurisdiction the company is working does not recommend the sanction for the issue of capital (vide copies of letters enclosed).

I agree with the Assistant Registrar and the application may, therefore, be rejected.

I have the honour to be,
Sir,
Your most obedient servant,

H Krishnamurthi

For Registrar.

Encls: (2).

Encl.1.

Copy of letter from the Assistant Registrar of Joint Stock Companies, South Kanara, Mangalore, to the Registrar of Joint Stock Companies, Madras, No. 66-K/46 Dated 13-2-1946

--

Ref: Regr's Endt. No. C. 319/46 dated 1-2-46 - South Kanara Fish Industries Ltd. - Issue of capital - report submitted.

--

The South Kanara Fish Industries Ltd. was incorporated as a Public company on 18-4-45 with a share capital of Rs. 5,00,000 and issued capital of Rs. 2,00,000.

The Managing Director Sri Mangalore Jarappa has been responsible for the promotion of a number of companies all which are working at present. With the exception of two of 7 directors subscribed to the memorandum of association of company all are new and of the 7 directors named in the articles of association of the company one is the office bearer of Sri Narayana Guru Bank Ltd. in which Sri K. Jarappa

Managing Director and chairman. Sri B. Narsappa also is a common director of all the companies promoted by Sri K.Jarappa and is a relative of his. The frequent changes effected in the Board of Directors of the company does not seem to be a healthy sign of the smooth and progressive life of the company.

I have not much to say to the credit of the remaining Directors as they are little heard of even in Mangalore, though the company in its application for issue of share capital describes them as businessmen of all India fame.

The objects set forth in the application are in conformity with those specified in the memorandum. The company in its prospectus dated 26-6-45 and filed in this office, states that the Government of Madras has been requested to subscribe for at least 1/4 of the issued capital of the company and appoint a Government Director in the present Board. It further states that arrangements had already been made to appoint technical experts besides passing resolutions to form a scientific advisory committee consisting of great and leading men in the line including one each from the Travancore and Cochin States. A central research and testing laboratory has, it is stated also been proposed to be established from the very commencement to provide for intense research for the development of the industry. It is not known now for the above have been carried out.

The management of the company has been vested under an agreement in the hands of Sri Mangalore Jarappa for a period of 20 years with an office allowance of Rs. 500/- per month and a bonus of 10 % on the net profits of the company.

The possibilities of vast and great potentialities of development of the industry, are, however, matters for technical departments to decide.

I further beg to state that I have no further data available to base my opinion in the absence of the balance sheet which is not yet due.

As far as this office is concerned, it is seen that the company is not prompt in replying to references issued from this office and the majority of the documents filed under the Indian Companies Act, 1913, are not without default. The question of the application for an issue of capital to the value of Rs. 25,00,000 may, therefore, be well considered on an enquiry being made into the working and progress made by the company so far.

Encl. 2.

Copy of letter from the Assistant Registrar of Joint Stock Companies, South Kanara, Mangalore, to the Registrar of Joint Stock Companies, Madras, No. 66-K/46 Dated 28-2-1946

South Kanara Fish Industries Ltd. Issue of capital - consent - application for - further information - submitted.
Ref: Registrar's C. 319/46 dated 25-2-46.

The above company was incorporated on 18-4-45. With reference to the issue of capital to the value of Rs. 2,00,000 i.e., 2,000 ordinary shares of Rs. 100/- each (vide letter of consent No. R.1786/ECI/45/18 dated 16-3-45 of the Examiner of Capital Issues). The company has fi the following returns of allotment:-

Date.	Nominal value of shares allotted.	Paid up capital.
13- 7-45	11,300	11,300
29- 8-45	23,400	23,400
12-12-45	25,300	25,300
Total	60,000	60,000

19

2. As per the Prospectus dated 26-6-46, the company has issued the whole of Rs. 2,00,000 for public ~~subscri~~ subscription to be fully paid up. From the foregoing it can be seen that the company has so far allotted only 600 shares and realised a sum of Rs.60,000 as paid up capital. The company can very well issue the rest of 1,400 shares and realise a capital of Rs. 1,40,000 more. Further issues up to Rs. 3,00,000 more can be made by the company as it will be covered by the present exemption.

Subd for perusal of pp 17-19 above.

The reply to the memo on pp 13-14 above, from the DSTC may be awaited. He has been reminded.

11/2/46.

For Registrar.

Dev. Dept

Cy No. 4146 P&D III/46 – 2 of 8-3-46

To

The Examiner of Capital Issues,

New Delhi.

Sir,

Sub: Companies – "The South Kanara Fish Industries Ltd." — Capital issue.

I am directed to refer to your letter No. R-2571/EC1/45/233 of 12-1-46 and reminder dated 26-2-46 and to state that the matter is under correspondence with the local authorities. A reply will be sent as soon as possible.

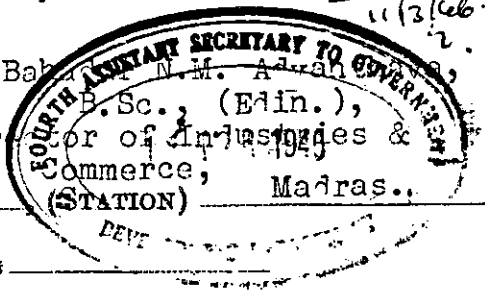
G.F. 32 (a).

Industries and Commerce DEPARTMENT.

In reply, please quote number, date and short title.*

Received *Registered* Dec 1 P&D Dept

11/3/46.



From (Name) Sri Rao Bahadur N.M. Advani, B.Sc., (Edin.),

(Designation) Director of Industries & Commerce,

Post Box (Station) Madras.

Telegraphic Address

To

The Additional Secretary to Government,
Development Department,
Madras.

L.Dis. *No.* 870-H5/46, *dated* 7th March 1946.

Sir,

Sub: Companies - The South Kanara Fish Industries Ltd., - Capital Issue.
Ref: Government Memorandum No. 4146-P&D-III/46-1 dated 21-1-1946.

ENCLOSURES

SPARE COPIES

The Deputy Director of Fisheries (Marine) who enquired into the matter reports that though the South Kanara Fish Industries Ltd., was registered nearly a year back, apart from collecting the share capital of Rs.60,000 the Directors have done practically nothing towards the promotion of the aims and objects of the Company. As stated in para 3 of the Government Memorandum cited, Mr. M. Jarappa is responsible for the promotion of a number of companies whose stability is open to doubt. Mr. B. Narasappa is reported to be Mr. Jarappa's brother-in-law and solely dependent on him. Dr. M.R. Bhat is a native physician and money lender and is reported to have some

p.t.o.

24

2.

capital. Janab S. Muhammad Bin Muhammad is a timber merchant and Sri T.K. Kannan Nambiar is a partner of a hotel at Udipi. Neither has much reputation as businessman or industrialist. Sri H. Siddhu is a toddy-shop contractor at Udipi. Mr. Martis is reported to have been the clerk and the agent of a fish merchant, the late Mr. Annavva of Malpe, and he is the only person among the Directors who has any knowledge about the fish trade. On the whole, the capacity of the Directors to handle such large sums of public money and their capability to successfully achieve the aims and objects of the company are doubtful. In the circumstances, I suggest the Directors of the South Kanara Fish Industries, Ltd., may be advised to make the best use of the capital already issued and show to Government their fitness for further issue of capital and expand the activities of the Company.

93.46

for Director of Industries & Commerce.

CVG-8.3.

9/3/93

V.E.
Issue pt
9/4/46

Dev Dept. 25

Confidential

Fr. No. 4146 P&C DIII/46-4 dt 9-4-46

To

The Examiner of Capital Issues ⊗
New Delhi

Sir,

Sub: Companies — "The South Kanara Fish Industries Ltd." — Capital Issue.

I am directed to return the papers received with your letter R-2571-ECI/45/233 dt 12-1-46 and to state that on further enquiries it is found that the promoters are not considered likely to succeed in their undertaking. The amount involved is large. The Govt of Madras do not recommend the grant of sanction for the capital issue now applied for.

(R.D. 1.6.'46)

9/4/46

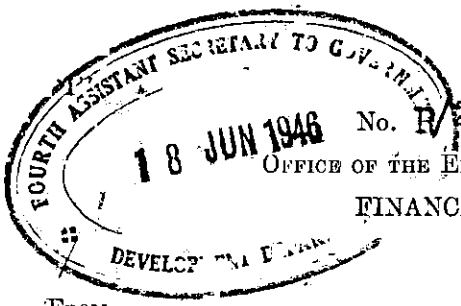
8/4/46

9.4.'46

⊗ with Encls
Encls will be put up in section

pp S.C.
pp S.
pp S.
pt ::f:

Copy to D.I.C.
Copy to S. Kanara
R.J.G.C.



No. F/2571/ ECI/45/779 Dy. 10252 P&D III/46

OFFICE OF THE EXAMINER OF CAPITAL ISSUES 18.6.46

FINANCE DEPARTMENT.

New Delhi, the 15th June 1946.

FROM

K. A. Master, Esq., M.A., B.SC., BAR.-AT-LAW,
Deputy Examiner of Capital Issues,

To The South Kanara Fish Industries Limited,
Hampankatta, Mangalore. (South India).

~~Sir~~/GENTLEMEN,

In reply to your letter No. nil dated the 27/11/ 1945 making application for the Central Government's consent under Defence of India Rule 94-A to an issue in British India by The South Kanara Fish Industries Ltd., a company ~~proposed to be registered~~ registered in the province of Madras, of capital as follows, *viz.*:—

2,50,000 Ordinary shares of Rs.10/- each.

I am directed by the Government of India to say that they are unable to give their consent to the proposed issue in existing circumstances.

Copy forwarded to the Government of Madras, Development Department, Madras, with reference to their letter No.4146 P & D III/46-4 dated the 9th April 1946.

By order etc.,

Deputy Examiner of Capital Issues.

I have the honour to be,
~~Sir~~/GENTLEMEN,
Your most obedient servant,

P-25 above

Sd/ K.A.Master.

Deputy Examiner of Capital Issues.

13FinD—1,000—20-4-45—PSVPD

Ismail, 14/6.

14/6.

28

V. E.

Dev Dept

G. O. Ms 25 25 Dev dt 28-6-46

Communicated to the

D. I. & C, R. J. S. C and Collr. of South Kanara.

Subject

Companies - The South Kanara Fish Industries Ltd — Capital Issues - Orders communicated.

To

The D. I. & C

R. J. S. C

Collr. of S. Kanara

with copy

Cr.o 4146 P&D(Ind)/46 Dev Dept

Companies — "The South Kanara Fish Industries Ltd." — Capital issue

P1c/ From Exr. of Capital Issues No. R.257/ECI/45/2330 of 12-1-46

The South Kanara Fish Industries, Ltd have now applied for sanction for capital issue to the extent
Pp 15-16 of — of Rs. 25/- lakhs. The Coll. of South Kanara doubts the solvency of the promoters of the Industries & reports that the directors do not enjoy confidence and the (their) statement is of doubtful
Pp 17-18 of reliability. The Registrar of Joint Stock companies does not recommend the application. The Dept
Pp 23 of also states that the capacity of the Directors to handle the business successfully is highly doubtful. The Dept further reports

R 21/3/46 — The first application for a capital issue of Rs. 2 lakhs was made in August 44. The Industries Dept. stated that he could not be relied upon. The application was recommended by this Govt as being in the right direction & it was specially mentioned that the promoters were persons of respectability. Sanction for the capital issue of Rs. 2 lakhs was accorded in March 1945 & it is stated that it is being subscribed to. The present application is for an (additional ?) issue of Rs. 25 lakhs. The manner in which it is proposed to spend the amount is given against items a to f of P.C. There is unanimous opinion from the Coll., R.J.S.C. & Dy. I.C. In another connection, the Govt of India have recently been informed that Joseph has been responsible for the promotion of a

number of companies has thus their administration has not been found satisfactory. The D.I.C. recommends that the Directors should be advised to make the best use of the capital already collected out of the sanctioned issue of Rs. 2 lakhs & to show in the fact their fitness to handle a larger capital.

The point for consideration is what reply will be given to the Co. of Capital Issue who points out that the fact of Banks recommended the present application.

We may refer to remind us on further enquiries & in view of the small amount involved the proposals are unlikely to be agreed.

25.3.46

27/3/46
Secy Dev | Fin

Fin (W & M)

May be perused and returned to development.
This Deptt may agree with Dept
29.3.46 NB
28.3.46
30.3.46

Dev u o No. 4146 P&D III/46-3
27.3.46

ASST. SECRETARY TO GOVERNMENT
28 MAR 1946
FINANCE DEPARTMENT

Fin u o 17412 Wm-1
30.3.46

Dev 22619 P+D III
2-4-46
Dev Dept

FOURTH ASSISTANT SECRETARY TO GOVERNMENT
2 - APR 1946
DEV

Subm for perusal of the Fin Dept's note above.
A draft letter is put up below for approval.

8.4.46

A 2
SPR
5.4.46

P. 27 cf. From the EAI No. R-2571/45/729 dt 15-6-46.

A draft orders is put up on p-20 cf. for approval.

24/6/46

19.6.46.

P 28 cf. [Issued as G.O. Ms. No. 2525 Dev dt 28-6-'46].